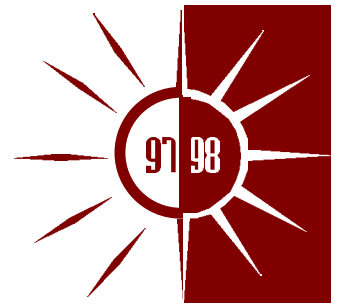


**MARICOPA COUNTY**  
**Financial & Personnel Resources**  
**1st Quarter Report FY 1997-98**



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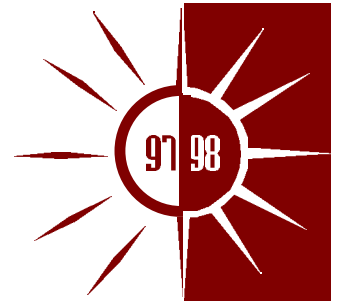
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## **BOARD OF SUPERVISORS**

**Don Stapley - Chairman**  
**District 2**

**Fulton Brock**  
**District 1**

**Andrew Kunasek**  
**District 3**

**Janice K. Brewer**  
**District 4**

**Mary Rose Garrido**  
**Wilcox**  
**District 5**

## **COUNTY ADMINISTRATIVE OFFICER**

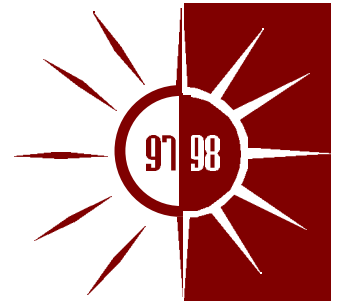
**David R. Smith**

## **CHIEF RESOURCE OFFICER**

**Sandra L. Wilson**

Maricopa County 301 West Jefferson, Suite 1070 Phoenix, Arizona 85003  
Phone (602) 506-7280 Fax (602) 506-3063  
[http://ww2.maricopa.gov/mgt\\_budget/mgt\\_budgetmain.html-ssi](http://ww2.maricopa.gov/mgt_budget/mgt_budgetmain.html-ssi)

# INTRODUCTION



The enclosed Maricopa County Financial & Personnel Resources 1st Quarter Report provides management with the tools necessary to evaluate and make informed staffing and related financial decisions. Personnel expenditures account for more than 65% of the County's controllable General Fund budget. Effective data collection and controls placed on these expenditures along with management of funded positions make up the primary elements in this process.

During the FY 1997-98 budget adoption process, the Unfunded Position Policy was updated to enhance the position control management process. This change incorporated the County's new compensation plan, the position creation process, and lump sum budgeting procedures. The Office of Management and Budget (OMB) continues to work with departments to effectively manage position control. Maricopa County tracks all positions and provides full funding through automated solutions and departmental cooperation.

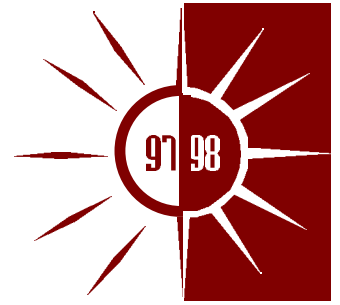
Information concerning departments with small numbers of employees (less than 25) should be used with extreme caution. A change of one or two vacancies, positions or termination's reflects a higher percentage change than those same movements within larger departments. These higher percentage changes may or may not reflect significant issues within these smaller departments.

It is the intent of this report to provide information regarding the operational and financial impact of human resources issues, trends, position control and staff retention. The following summaries contain this information:

- \* Personnel Savings
- \* Attrition (Turnover Rates)
- \* Separations
- \* Innovations

Any questions you may have regarding this report or the position control process may be addressed to Maricopa County, Chief Resource Office, 301 West Jefferson, Suite 1070, Phoenix, Arizona 85003. You may also call this office at (602) 506-7280.

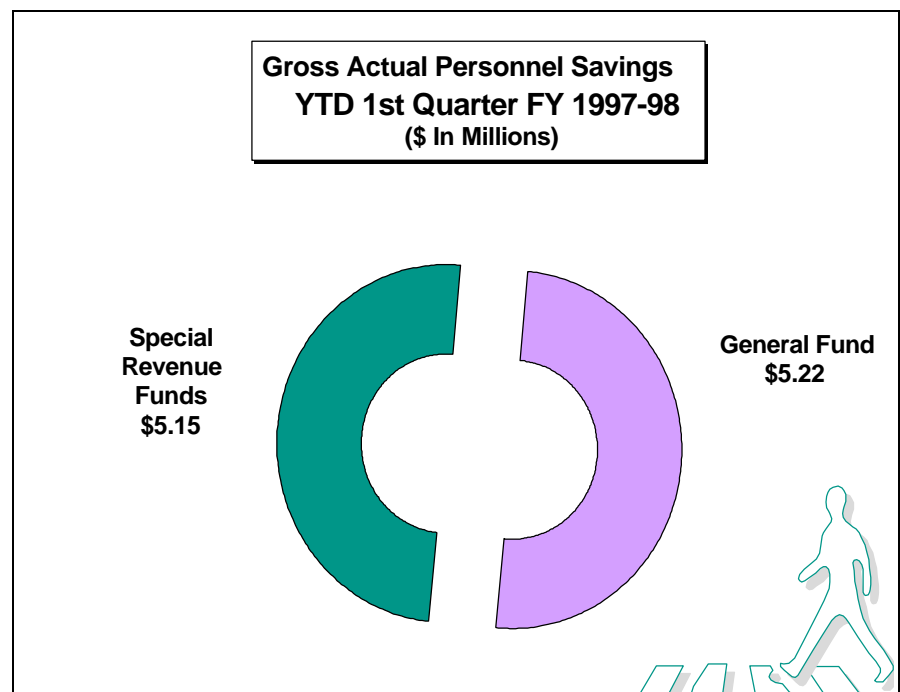
# SUMMARY FINDINGS



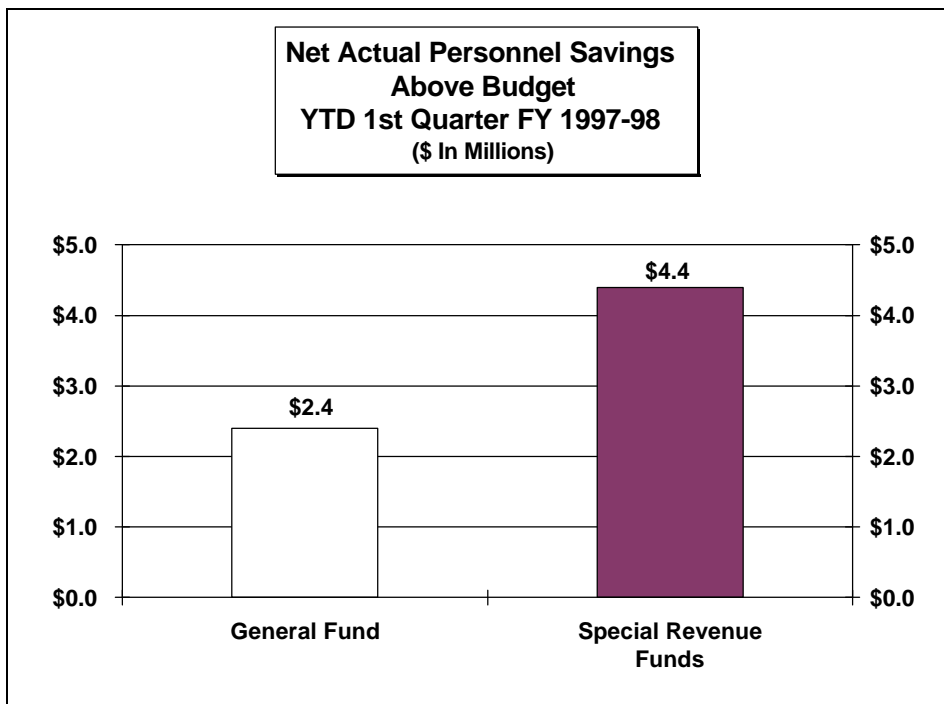
Maricopa County strives to attract and retain quality staff in accordance with Board directed goals. Development of enhanced compensation programs and policies assists in meeting these goals. The recently implemented Broadbanding Compensation Plan provides competitive compensation in order to reward higher achievers. Salary adjustments to departmental budgets fund the new compensation plan. The Funded Position Policy assures the financial integrity of compensation allocation.

Nearly \$1.3 million was distributed to departments Countywide for FY 1997-98 General Fund and Special Revenue Fund broadbanding compensation. New pay rates in increments of 2.5% may be distributed to increase department's ability to compete in the local marketplace and improve the rate of retention of quality staff. The unused portion of these funds become available for performance incentives at fiscal year-end. The Personnel Savings section of this document contains additional information regarding the impact of implementing the Broadbanding Compensation Plan.

The year-to-date 1st quarter actual gross personnel savings Countywide, excluding grants, total \$10.3 million, of which \$5.2 million or 50% is in the General Fund. The chart to the right shows the gross actual savings.

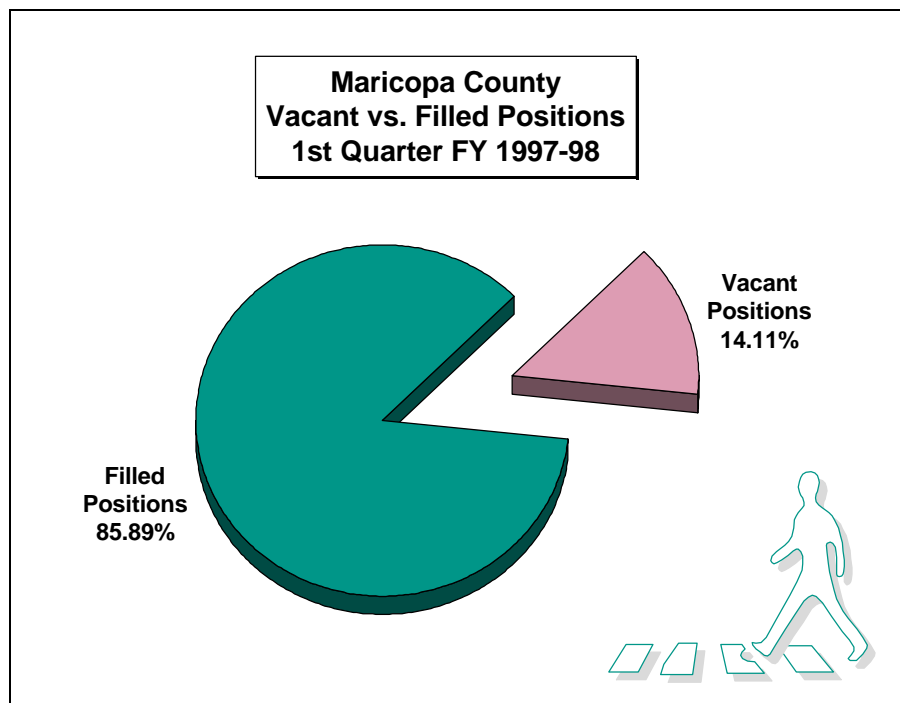


Actual personnel savings contain the Broadbanding Compensation Plan allocation which may be misleading, since departments have until year-end to utilize these incentives. See the Personnel section for further details.

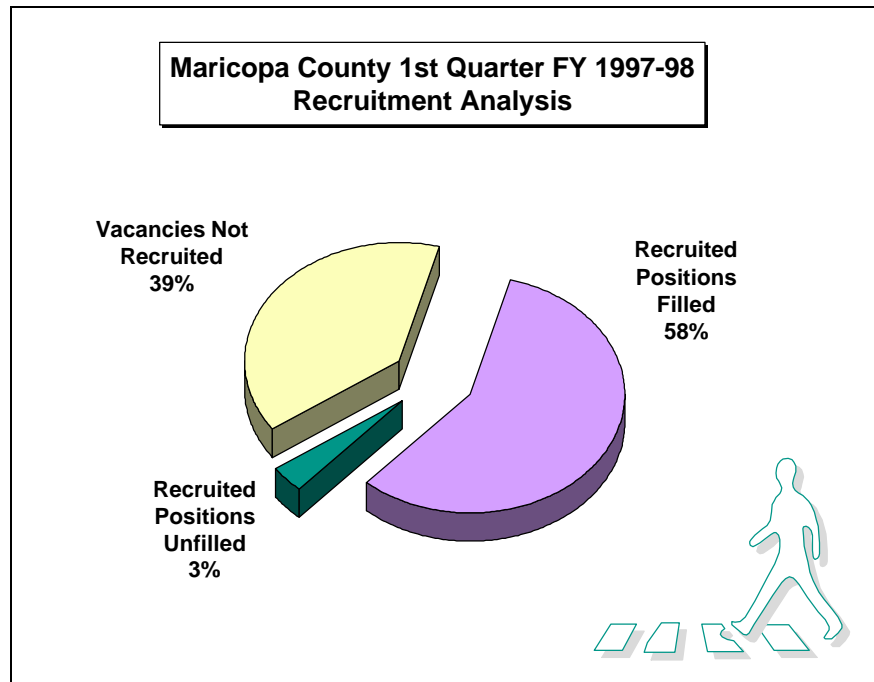


The net actual personnel savings above what is budgeted in the General Fund is \$2.4 million, while Special Revenue Funds are \$4.4 million above budget. This is demonstrated to the left.

The chart to the right shows the 1st quarter percent of filled positions as compared to vacant positions Countywide. Additional information is provided under the Attrition section of this document.

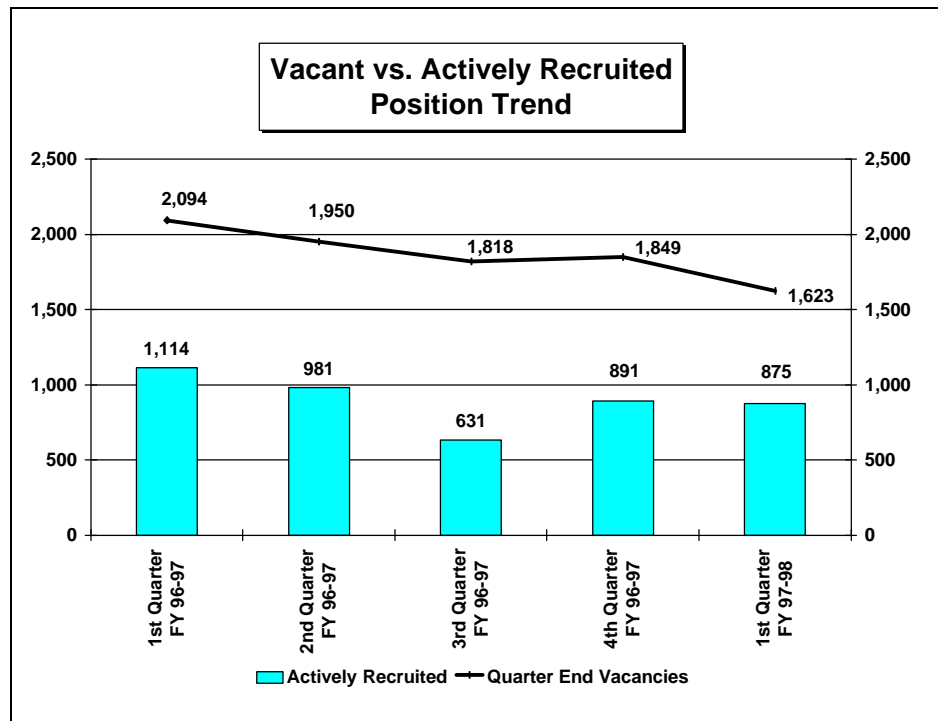


The number of actively recruited positions remained steady at 875 during the 1st quarter FY 1997-98 vs. 891 positions actively recruited during the 4th quarter FY 1996-97. Vacancies decreased by 22% from the last quarter of FY 1996-97 primarily due to the Maricopa Integrated Health System (MIHS) reorganization.



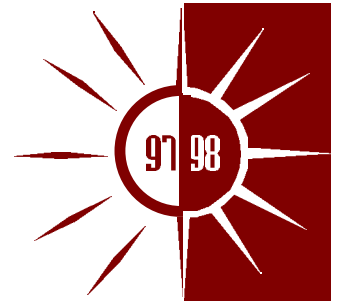
61% of all vacant positions were recruited during the 1st quarter. More than half of these recruited positions were filled, as demonstrated to the left. Only 3% of all recruited positions remained unfilled as compared to 25% in FY 1996-97.

The number of actively recruited positions remained flat from the 4th quarter FY 1996-97 while vacancies dropped significantly. The 226 vacancies reduced from the prior quarter is due to the deletion of vacant, unfunded positions Countywide.



The 1996 Maricopa County Biennial Salary Survey provides a comparison of how Maricopa County employees fare in salary and attrition to others doing similar jobs. The markets surveyed include regional, state and local governments. 5.83% is the average turnover rate for all public sector survey participants as compared to Maricopa County's 1st quarter FY 1997-98 turnover rate of 12.36%. Although this turnover rate is double that of the markets surveyed, it is 3% lower than the 1st quarter FY 1996-97. Clearly, the process improvements implemented have had an affect on the rate of employee turnover.

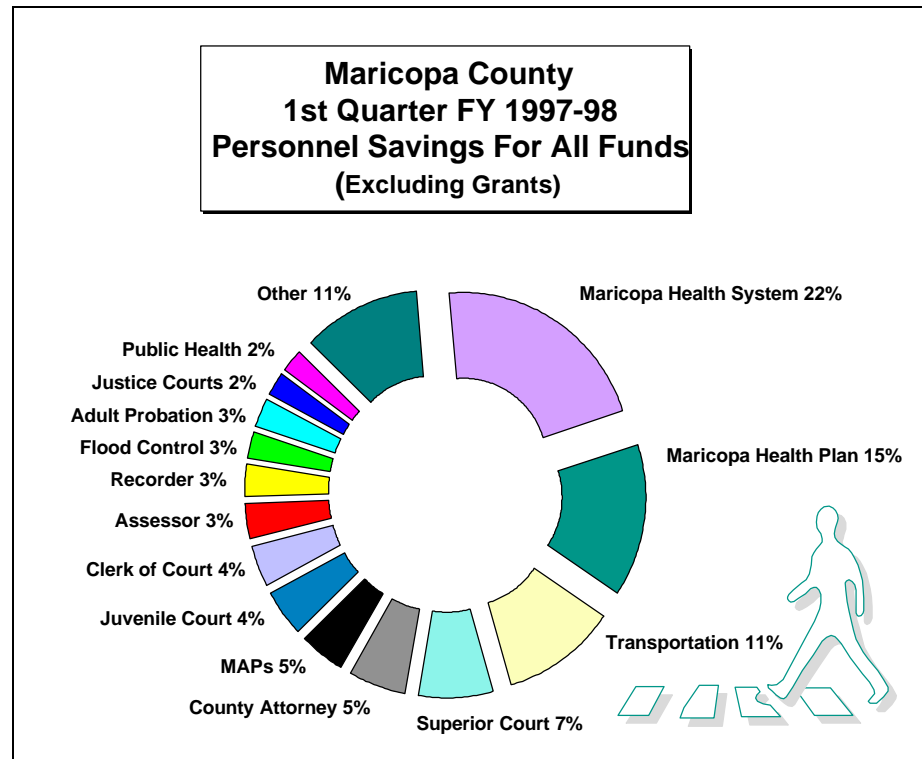
# PERSONNEL SAVINGS



Maricopa County year-to-date 1st quarter FY 1997-98 personnel savings for all funds excluding grants total \$13.2 million, as demonstrated on the table below.

MARICOPA COUNTY YTD 1ST QUARTER FY 1997-98 PERSONNEL SAVINGS ALL FUNDS EXCLUDING GRANTS				
Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personnel Savings Above Budget
\$112,126,120	\$101,747,681	\$10,378,439	\$3,546,527	\$6,831,912

Major personnel savings by department for all funds are shown on the chart to the right. Total gross savings includes broadbanding funding. The Maricopa Health System and Maricopa Health Plan did not budget salary savings in FY 1997-98. Their combined personnel savings of \$2.4 million, or 37% of total personnel savings for all funds, inflates personnel savings Countywide.

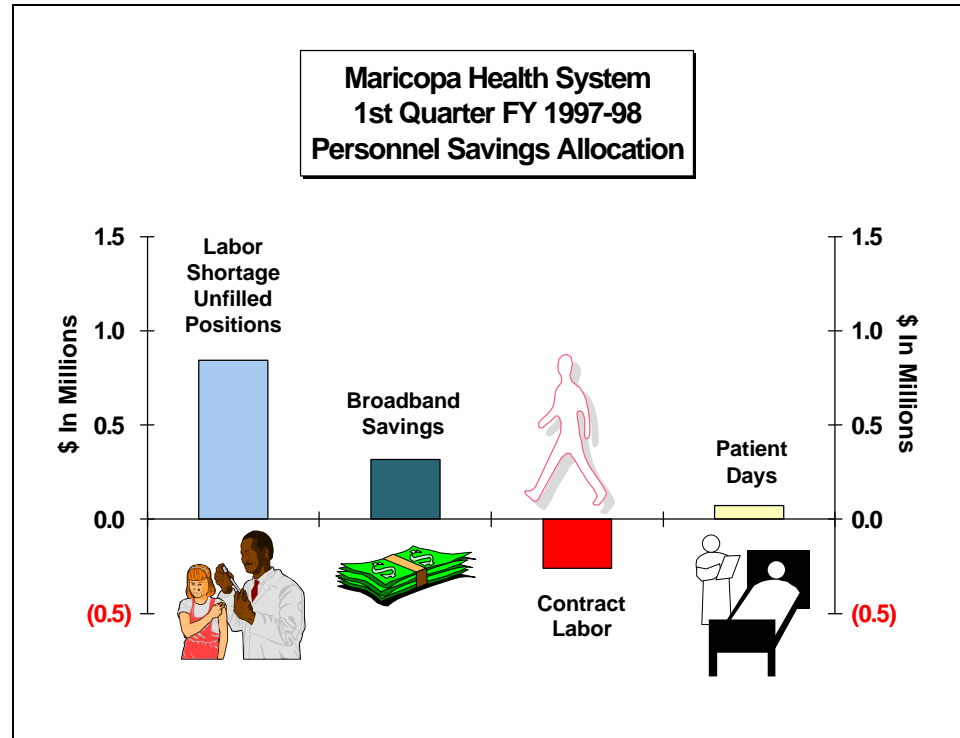


Personnel savings generally occur when positions remain vacant, or when the actual pay of a position is lower than budgeted. These savings are made up of three components: salary savings, benefit savings and turnover, or attrition. The Broadbanding Compensation Plan funding is a separate personnel component in FY 1997-98. These funds may create savings throughout the fiscal year. Compensation may be in the form of salary increases or incentive awards at year-end. Therefore, the personnel savings reflected above may be skewed due to the broadbanding component.



Maricopa Health System (MHS) personnel savings of \$1.5 million fluctuate proportionately with the decrease in patient volume and labor shortages. Total adjusted patient days are 32,071 as compared to 33,907 budgeted.

\$316,000 of MHS personnel savings is due to broadband compensation not distributed during the 1st quarter. Critical labor shortages have occurred in the areas of registered nurses, dentists and pharmacists, which creates savings. Also as a result of these labor shortages, use of contract labor has been necessary, making contract labor \$260,000 over budget

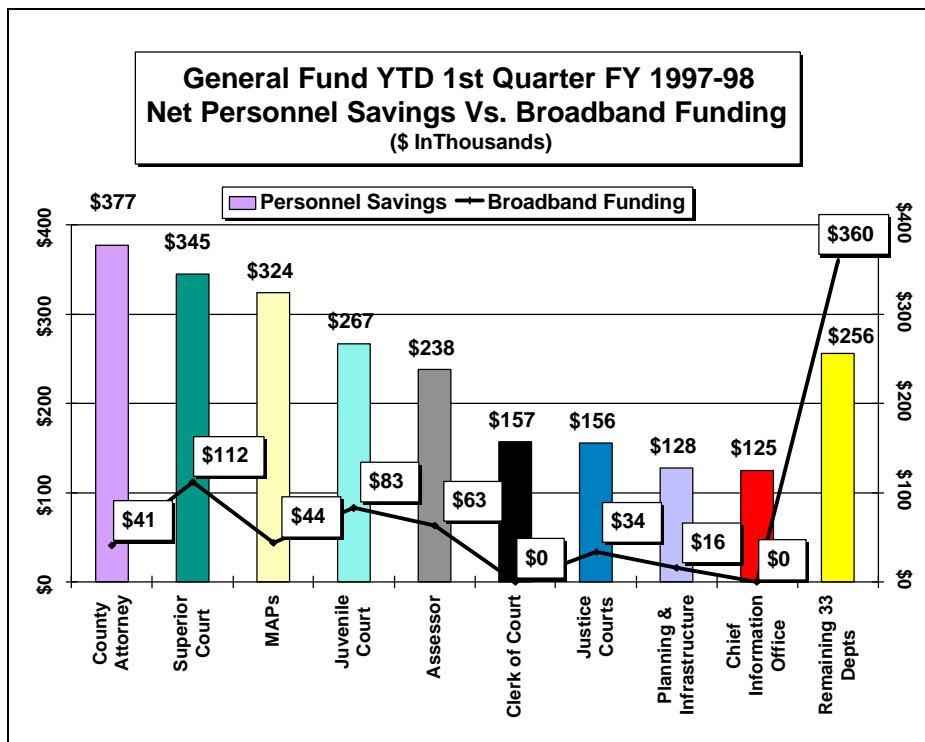


Maricopa Managed Care has \$862,000, or 33% of actual expenditures, in personnel savings due to less than anticipated ALTCS Plan membership. The ALTCS Plan regulates staffing requirements at various membership levels which contributes greatly to their positive labor variance.

The 1st Quarter FY 1997-98 gross personnel savings Countywide (excluding grants) totals \$13.2 million of which \$5.2 million, or 39% is General Fund. The actual personnel savings above what is budgeted for all funds (excluding grants) is \$9.7 million, of which \$2.4 million is General Fund. The General Fund net actual personnel savings is 83.2% higher than budgeted.

**MARICOPA COUNTY YTD 1ST QUARTER FY 1997-98 PERSONNEL SAVINGS\*  
GENERAL FUND**

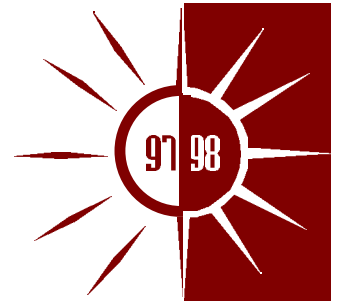
Total Budget Personnel Costs	Actual Personnel Costs	Actual Personnel Savings	Budgeted Personnel Savings	Actual Personnel Savings Above Budget
\$69,076,394	\$63,851,810	\$5,224,584	\$2,851,798	\$2,372,786



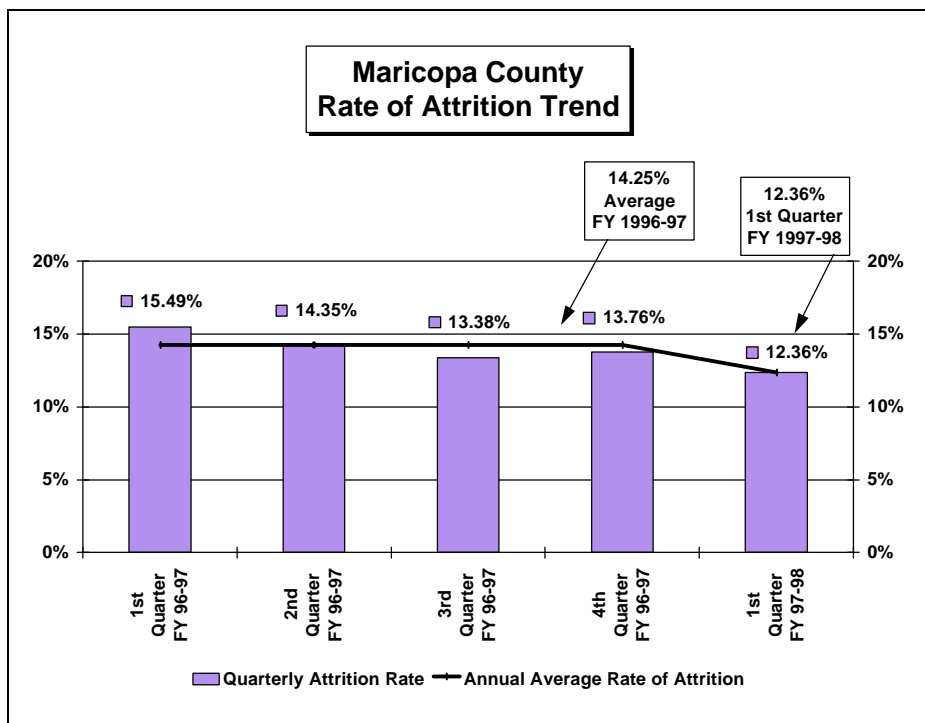
YTD 1st quarter broadband funding represents 32% of net personnel savings (above budget). The chart at left shows departments with the greatest net personnel savings as compared to 1st quarter compensation for the broadbanding program.

The Clerk of Superior Court and the Office of the Chief Information Officer redistributed their broadband funding to occur later in the fiscal year.

# ATTRITION



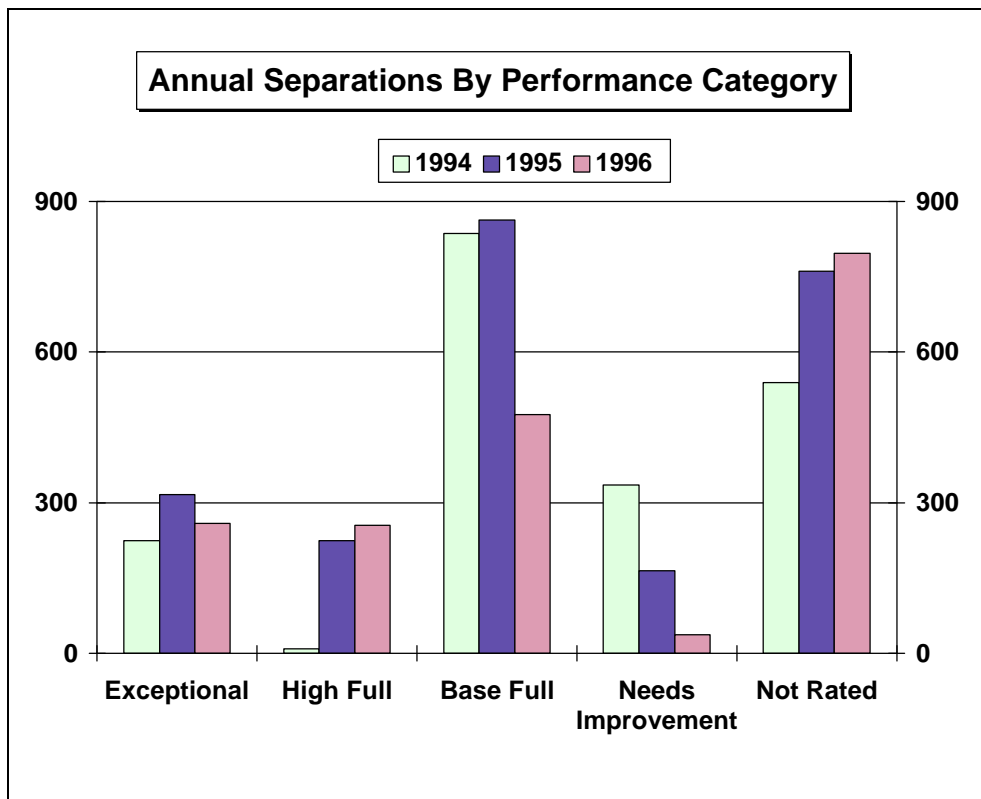
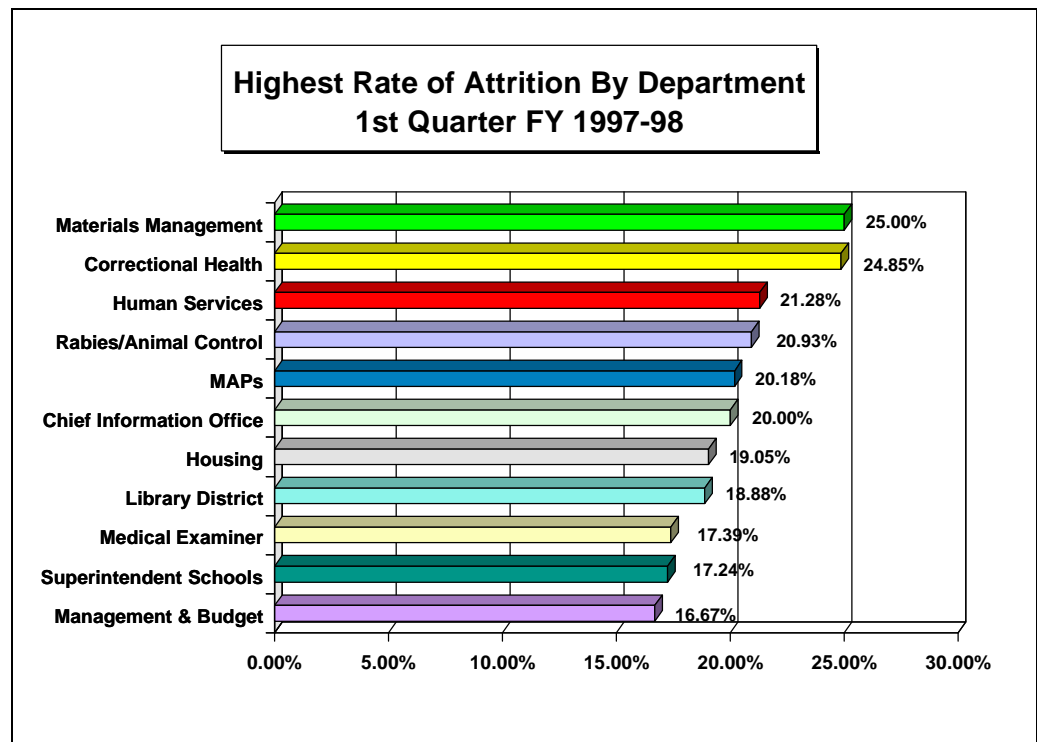
Organization-wide turnover rate, or attrition, as of September 30, 1997 is 12.36%. The rate of attrition is based upon the number of regular positions that are vacant. As of the end of the 1st quarter, 1,623 positions were vacant, of which 875 were actively recruited. The 1st quarter results show a 1.4% reduction in Maricopa County's turnover rate from the 4th quarter FY 1996-97. For every additional position vacated during the 1st quarter of this fiscal year, there were 1.11 positions filled. Of the positions involuntarily vacated, 10% were attributed to misconduct. This indicates that managers are dealing with personnel issues through progressive discipline. A Countywide Ethics Policy will be introduced shortly. This policy will help to set defined behavior parameters for employees to follow.



Maricopa County's 12.36% 1st quarter rate of attrition is 3.13% lower than the 1st quarter of FY 1996-97 and dropped 1.89% since last quarter. The graph to the left shows a downward trend in turnover Countywide. Reduction in attrition reflect employee satisfaction, considering the array of recently implemented compensation programs.

Employee retention is a Countywide dilemma that covers a myriad of issues. Vacancy rates, the number of positions actively recruited and compensation are the major areas to be examined. Departments with high vacancy rates which focus on active recruitment may indicate a shortage of skilled workers or a compensation issue which is affecting recruitment efforts.

Departments with the highest attrition rate are shown on the chart to the right. Employee turnover may be an indication of job dissatisfaction. This issue is addressed under Separations.



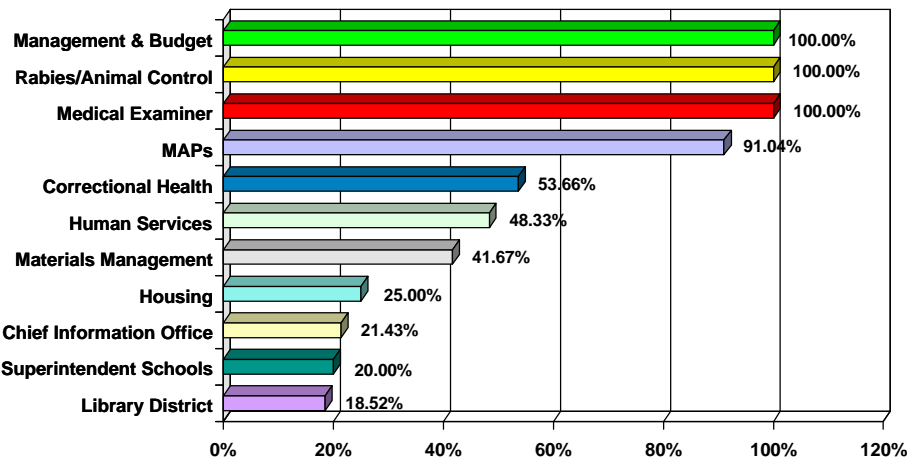
Organization-wide turnover rates, or attrition, by performance rating show higher performing employees are not leaving at as fast a rate as other groups. This is a trend that is advantageous to the County, and a sign that the Performance Management Program is having a positive impact on high performer employee attrition. Those "not rated" on the chart are new employees.

**MAJOR DEPARTMENT VACANCIES BY NUMBER  
1ST QUARTER FY 1997-98**

<u>Department</u>	<u>Number Vacant</u>	<u>Number Recruited</u>
Sheriff's Office	183	137
Adult Probation	116	67
County Attorney	81	65
Public Health	80	24

Staffing issues in the Sheriff's Office are primarily due to the high rate of detention officer turnover. They actively recruited to fill 75% of all vacant positions in the 1st quarter. The Maricopa Health System's vacancies are due to several major factors. Compensation is an ongoing issue as well as patient census and staff shortages.

**% Vacant Positions Recruited By Department  
1st Quarter FY 1997-98**



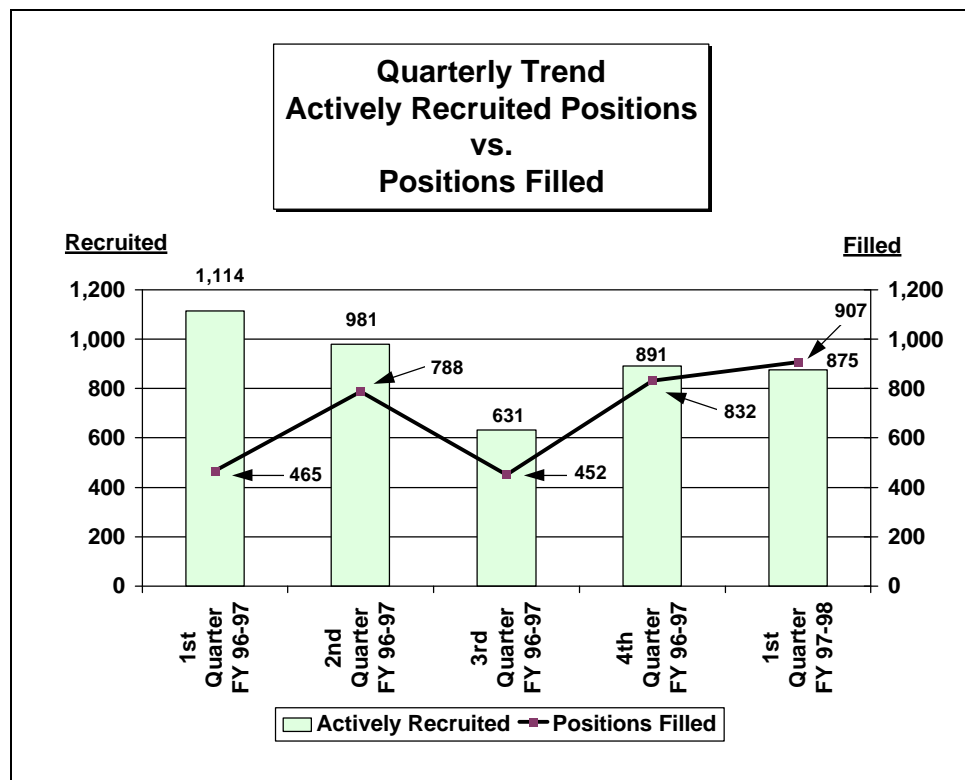
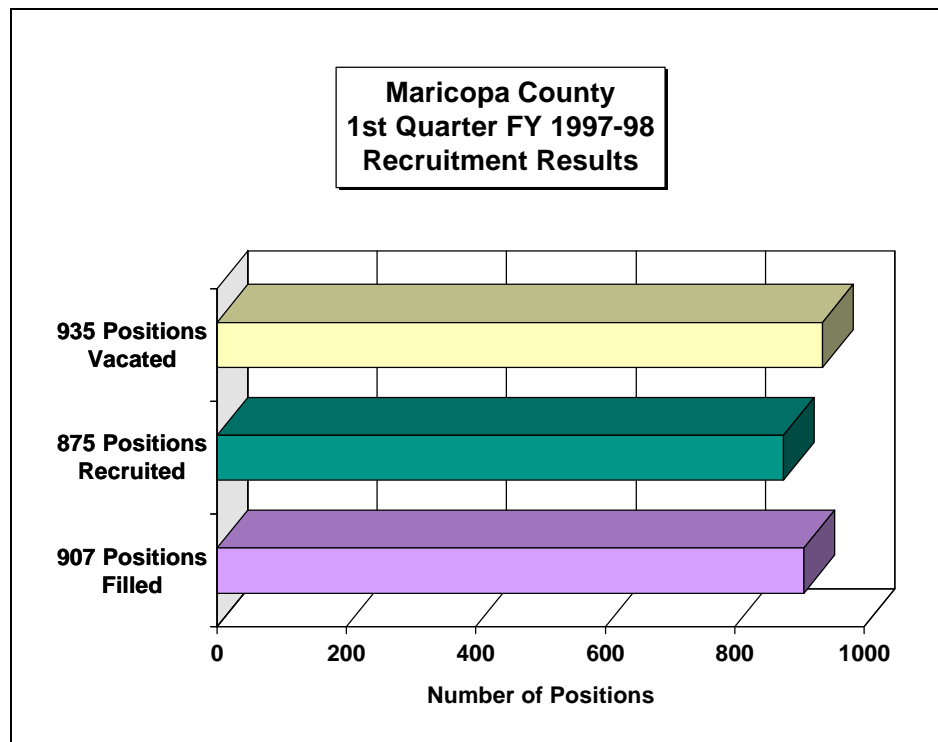
The chart to the left shows the percent of vacant positions actively recruited by department. These departments have the highest rate of attrition Countywide.

100% of all vacancies in the Office of Management and Budget, Rabies/Animal Control, and the Medical Examiner are being actively recruited, as shown above. In contrast, less than 25% of all vacant positions within the Chief Information Office, Superintendent of Schools and Library District are being recruited.

**QUARTERLY COMPARISON OF POSITIONS RECRUITED AND FILLED**

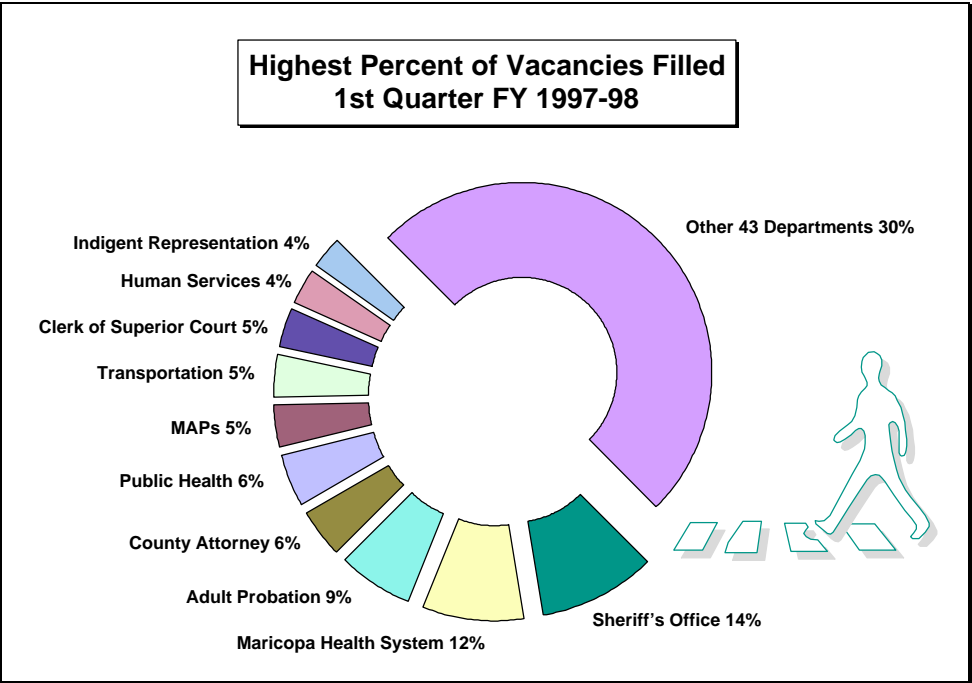
<u>Fiscal Year Quarter</u>	<u>% Recruited/Filled</u>
1st Quarter FY 1996-97	41.74%
2nd Quarter FY 1996-97	80.32%
3rd Quarter FY 1996-97	71.63%
4th Quarter FY 1996-97	93.38%
1st Quarter FY 1997-98	103.65%

There were 935 positions vacated during the 1st quarter, which accounts for 65% of all vacant positions. The 907 positions filled during the 1st quarter account for 8% of total filled positions as of September 30, 1997.

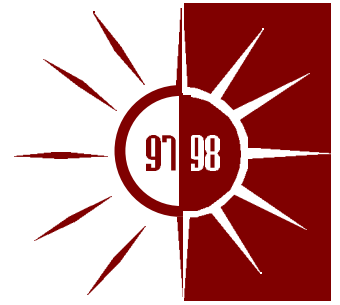


The 1st quarter of FY 1997-98 is the first recorded time that the number of positions filled exceeds the number of those recruited.

The chart at right shows departments with the highest percent of vacancies filled during the 1st Quarter.

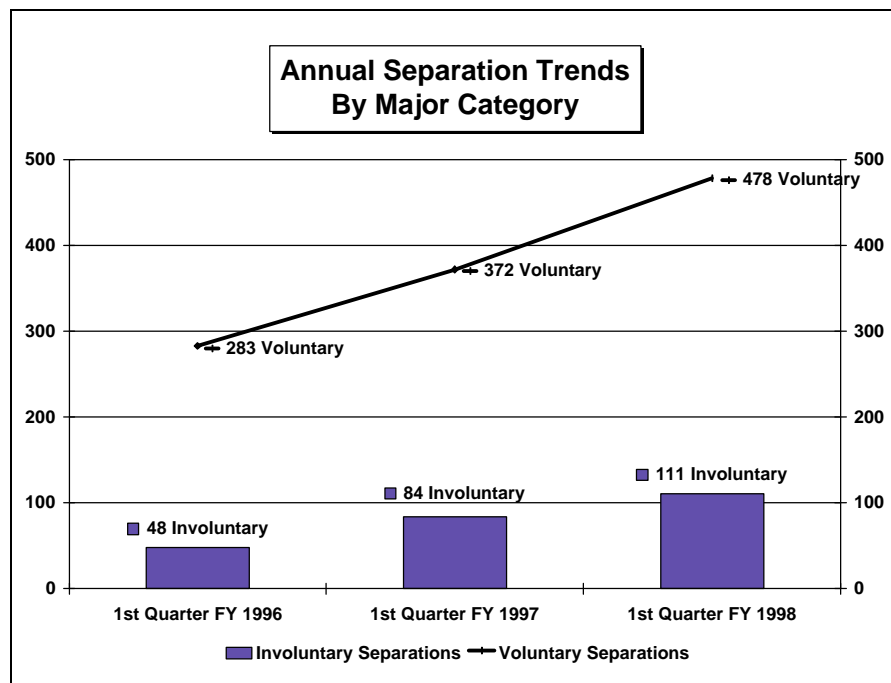
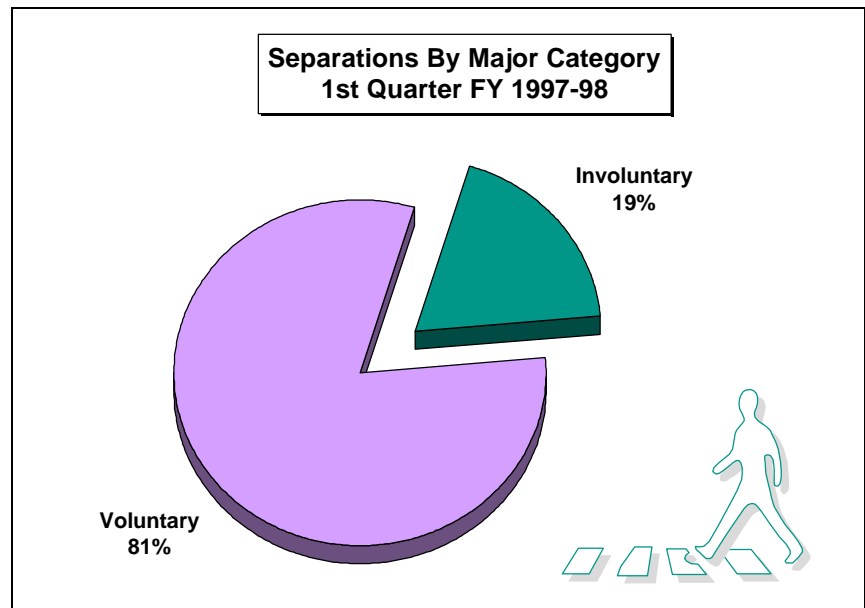


# SEPARATIONS



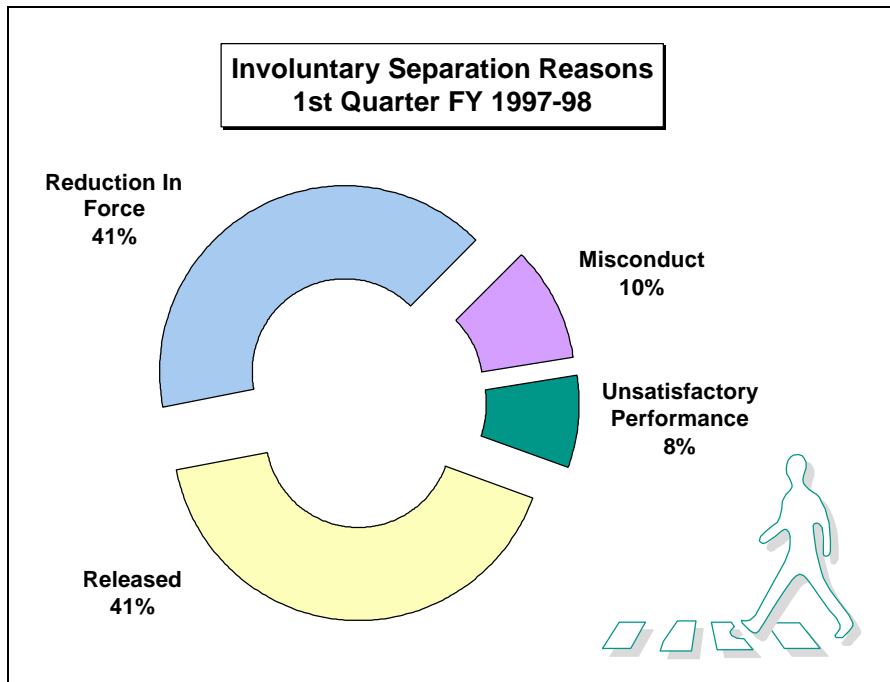
Separations are a prime indicator of employee satisfaction. Tracking and analysis of separation information began last fiscal year. The County's objectives reflect the Board of Supervisor's goal of resolving staffing issues such as employee retention.

There are two separation categories, voluntary and involuntary. The higher the voluntary separation rate, the higher the financial and operational impact to County departments. Customer service is likely to diminish during training of new personnel.



The voluntary and involuntary separation trend for the 1st quarter of the last three years shows an increasing number of separations. These separations are primarily due to health care negotiations and the subsequent reorganization of the health care system.





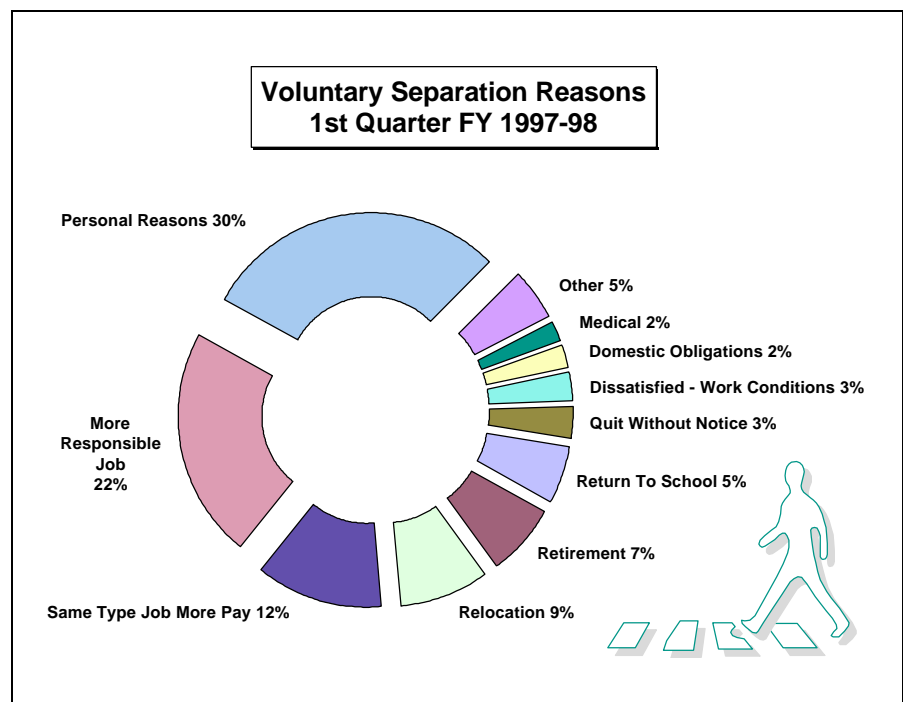
Involuntary separations total 111 for the 1st quarter, of which 10% were for misconduct or violation of rules. 41% resulted from reductions in force. 85% of all reductions in force were from the Health System.

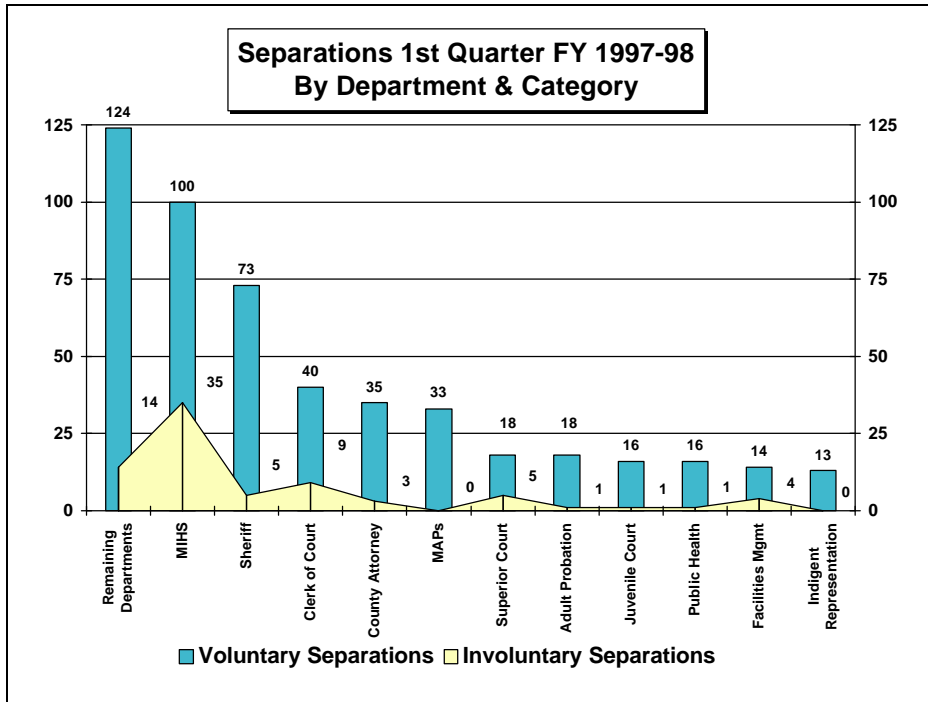
41% of all 1st quarter involuntary separations are the result of employees being released. Released is defined as involuntary leave while on initial probation or involuntary leave from Unclassified status. Examples of released separations include changes in administration, poor job match, disciplinary reasons, etc.

The formal Countywide outprocessing and exit interview procedure appears to have made a positive impact on involuntary separations due to the "released" category. This process began towards the end of FY 1996-97.

Voluntary employee separation reasons continue to exceed involuntary reasons due to the organizations "catch-all" category, personal reasons. The next highest voluntary separation reason is due to employees accepting more responsible jobs.

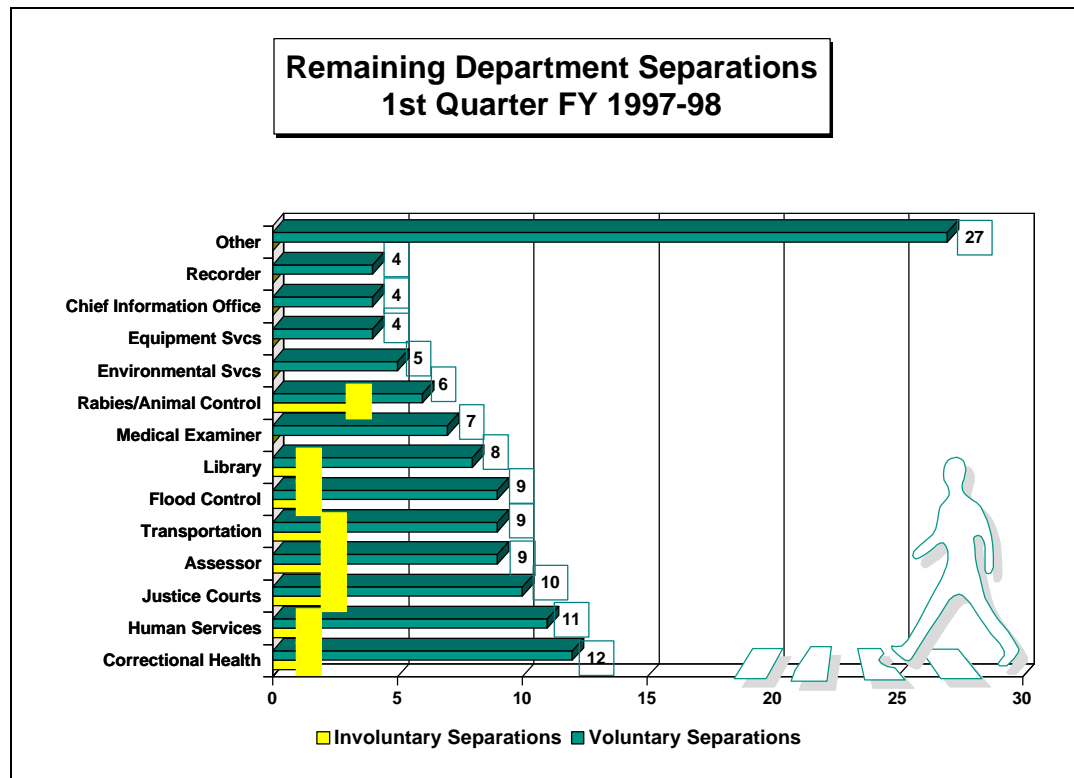
All identified voluntary separation reasons represent employees leaving the County.





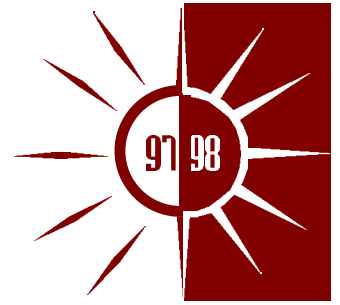
The Maricopa Integrated Health System at 23%, Sheriff's Office at 14%, and Clerk of Superior Court at 9%, lead in total number of separations this quarter. The departments showing the largest number of voluntary and involuntary separations during the fiscal year are shown at the left.

The chart to the right shows the separations which remain.



As Maricopa County continues to improve its Performance Management Program and introduce a County Ethics Policy, a positive improvement should result through the retention of high performers. Separations remain a key indicator of employee satisfaction. The County continues to develop and improve programs in order to resolve staffing issues and retain quality staff.

# INNOVATIONS



Maricopa County's implementation of the Broadbanding Compensation Plan is the most significant personnel resources innovation to occur in recent years. This program is expected to impact the County's ability to compete in the local marketplace and improve the rate of retention of quality staff.

The updated Performance Management Program is another diversity for the County. It's purpose is to encourage department directors and managers to meet and exceed predetermined business goals. This program is redefined and improved annually.

Future FY 1997-98 innovations include the development of an Employee Leave Plan and modifications to the Merit System Rules.

